

Jeff Wuensch

From: Jeff Wuensch [jeff@nexustax.com]
Sent: Wednesday, March 05, 2008 1:10 AM
To: 'cmusgrave@dlgf.in.gov'
Cc: 'Rushenberg, Tim'; 'Frank Kelly'; 'Shaw Friedman'; 'Marilyn Meighen'
Subject: DLGF Analysis

Cheryl:

To date we have identified several errors in the DLGF's analysis of LaPorte County's 2006 Assessments through the agency's own ratio study. A couple of these problems have been identified in previous e-mails, but I wanted to provide a summary for you. Here is what we know after approximately 5 hours of cursory review of the DLGF's ratio study:

1. The basis for the DLGF's study was the preliminary ratio study submitted for LaPorte County in December 2006. The DLGF requested the addition of more sales in this study. In February 2007, a revised ratio study was submitted for LaPorte County, which was subsequently approved in March 2007. We ask that this final study be the basis for your agency's analysis, as we have included several sales, at your agency's request, that your study does not include.
2. The DLGF analysis of improved residential property in Michigan Twp. fails to match the parcel numbers with the correct assessment data and sales prices. Frank Kelly has corrected these errors and used your same methodology of analysis. These corrected parcels now result in compliant statistics.
3. The DLGF analysis of vacant residential property in Clinton Twp. contains 1 record that does not match with the county's billing system. In fact, it appears to be a duplicate parcel with 2 different billing assessed values, which we do not believe is possible. Removing this one entry results in compliant statistics.
4. The DLGF summary statistics for vacant residential parcels in Wills Twp. do not match the actual calculated statistics in your worksheet. The worksheet illustrates that the calculated statistics are compliant.
5. The DLGF analysis of improved commercial in Center Twp. contains 1 invalid sale and omits several parcels used in the final LaPorte County Ratio Study. Once these corrections are made, the statistics appear compliant.
6. The DLGF analysis of improved commercial property in New Durham Twp. has only 4 sales. The combined statistics for this class should be used and/or the Spearman Test.
7. The DLGF analysis of improved industrial has at least one formula error resulting in incorrect statistics. Once this formula is corrected, the statistics appear compliant.

Finally, given the significant number of errors that we have discovered in our cursory review of the DLGF's analysis, we respectfully request an extended period to review this analysis, along with all other tables and studies. It is highly likely, that further errors will be discovered, resulting in even more townships and property classes being deemed compliant by Indiana law. Further, I would encourage the DLGF to make these corrections before further distribution or public comment, as these objective errors warrant immediate adjustment. An employee of Nexus Group would be happy to visit each of these errors individually to ensure the objective review of LaPorte County's 2006 assessments.

Thanks.

Jeff Wuensch

3/5/2008

Laporte County 2006 Ratio Study: Corrected
Using Tax Bill Assessed Value

Improved Residential
Median COD PRD
Comments & Study Corrections
**** All improved residential classes meet state standards****

1	Cass	0.9522	9.8397	1.0045
2	Center	1.0010	10.2165	1.0114
3	Clinton	0.9333	9.4405	0.9568
4	Coolspring	1.0294	10.6200	1.0237
5	Dewey	1.0113	11.6223	1.0059
6	Galena	1.0125	12.5645	1.0306
7	Hanna	1.0135	12.7746	1.0149
8	Hudson	1.0133	12.7026	1.0043
9	Johnson			
10	Kankakee	1.0123	10.1569	1.0027
11	Lincoln	0.9777	9.2659	1.0116
12	Michigan	1.0050	10.4739	0.9986
13	New Durham	1.0133	12.6307	1.0180
14	Noble	1.0030	9.9377	1.0098
15	Pleasant	1.0013	9.8647	1.0058
16	Prairie			
17	Scipio	0.9904	9.7709	1.0067
18	Springfield	1.0032	10.1656	1.0074
19	Union	1.0022	10.8417	1.0107
20	Washington	0.9914	7.7004	0.9987
21	Wills	1.0101	5.3481	1.0138

DLGF "mismatch" of parcel, AV, sale price corrected.

Vacant Residential
Median COD PRD
Comments & Study Corrections

1	Cass	0.9237	13.2640	1.0303
2	Center	0.9784	9.7357	1.0132
3	Clinton	0.9650	16.6800	1.0190

Incorrect billing data used on parcel with 2 separate tax bills corrected

4 Coolspring	0.9933	10.1702	1.0168	Investigating billing & AV differences PRD not valid with less than 10 sales; Use combined sales or Spearman Test. Investigating absence of 9 sales used in final LaPorte Study.
5 Dewey	0.9702	9.3065	0.9961	
6 Galena	0.9268	16.3182		
7 Hanna	0.9719	15.4216		
8 Hudson	0.9367			
9 Johnson				Investigating absence of 16 sales used in final LaPorte Study.
10 Kankakee	1.0346	14.7593		
11 Lincoln	1.1000	10.0000	1.0267	
12 Michigan	0.9662	13.5918	0.9932	PRD not valid with less than 10 sales; Use combined sales or Spearman Test.
13 New Durham	0.9052	15.1579	1.0048	
14 Noble	0.9321	16.0617		
15 Pleasant	1.0600	15.1469	0.9955	Investigating absence of 29 sales used in final LaPorte Study.
16 Prairie	0.9701	9.1239	1.0000	
17 Scipio	0.9335	10.3205		
18 Springfield				Applied calculated statistics in DLGF worksheet & corrected statistics.
19 Union	0.9400	15.1267	0.9805	
20 Washington				
21 Wills	0.9070	12.7980	1.0260	

Improved Commercial Median COD PRD Comments & Study Corrections

1 Cass				
2 Center	1.0210	12.4150	1.0090	Removed 1 invalid sale & corrected statistics
3 Clinton				

4 Coolspring	0.9689	5.9239	1.0093
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- 5 Dewey
- 6 Galena
- 7 Hanna
- 8 Hudson
- 9 Johnson
- 10 Kankakee
- 11 Lincoln

12 Michigan	0.9954	13.9836	0.9870	Investigating absence of 6 sales used in final LaPorte Study.
13 New Durham	1.0000	10.6180	0.9870	Applied Combined Twp. results
14 Noble				
15 Pleasant	1.0922	9.4607	1.0109	
16 Prairie				
17 Scipio				
18 Springfield				
19 Union				
20 Washington				
21 Wills				
Combined Twp	1.0000	10.6180	0.9870	Added New Durham & Pleasant for sufficient sample; recalculated statistics

VACANT COMMERCIAL				
	MEDIAN	COD	PRD	
Combined Twp	0.9695	68.1337	2.1642	Investigating absence of 6 sales used in final LaPorte Study.

Improved Industrial				
	MEDIAN	COD	PRD	
12 Michigan	0.1282	68.1337	2.1642	Josh needs correct formula and recalculate.